AFPM
American
Fuel & Petrochemical
Manufacturers

energy API

February 8, 2019

The Honorable Andrew Wheeler
Acting Administrator, U.S. Environmental Protection Agency
1200 Pennsylvania Ave, N.W.
Washington, D.C. 20460

Dear Acting Administrator Wheeler,

The American Fuel & Petrochemical Manufacturers (AFPM) and the American Petroleum Institute (API) represent the U.S. oil, gas, and refining industries, which supply the transportation fuels that power our economy, support more than 10 million jobs, and contribute more than $1 trillion annually to the nation's economy. Our members are regulated as "obligated parties" under the Renewable Fuel Standard (RFS), and as such will be directly impacted by several rulemakings that the Environmental Protection Agency (EPA) is currently deliberating. We write to share our positions on these critical issues.

First, AFPM and API strongly oppose EPA taking regulatory action to grant a Reid vapor pressure waiver to gasoline containing 15 percent ethanol (E15). As EPA itself has concluded on multiple occasions, the Clean Air Act does not authorize the agency to take such action. Only Congress can provide the authority that EPA now seeks. Moreover, a waiver would do little to expand the market penetration of E15 given the significant vehicle and retail infrastructure compatibility constraints and sales restrictions that exist in California and other states. Moving forward with an E15 waiver will only perpetuate additional uncertainty and invite litigation.

We also oppose the request of certain stakeholders for EPA to reallocate, either retroactively or prospectively, Renewable Identification Numbers (RINs) that were waived through Small Refinery Exemptions (SRE) or discharged in bankruptcy proceedings. Such actions are not needed and would serve only to harm non-exempt obligated parties. EPA and EIA data show unequivocally that the SRE waivers and other actions had no appreciable impact on ethanol production and blending. In fact, ethanol production, blending, and exports were at all-time highs last year. We similarly oppose EPA addressing the judicial remand of its 2016 RVO as part of a future mandate. Reallocation would do nothing to increase ethanol production in a prior year and unnecessarily increases the cost of the program for our members and consumers.

Rather than utilizing questionable legal and technical justification to expand the mandate for conventional biofuels, EPA should utilize its authority to bring regulatory relief and minimize the impacts of regulations on consumers. In particular, EPA should utilize its upcoming “reset” rulemaking to better align the RFS fuel mandates with market realities. The opportunity provided to reduce a significant regulatory burden should not be taken lightly, and EPA should account for reduced overall gasoline demand, lack of infrastructure for mid-level ethanol blends, lack of cost-effective advanced and cellulosic biofuel production, consumer cost, and other factors necessitating reductions in the mandates.

Our industry is deeply concerned with any effort to implement policies which could significantly harm our nation’s refineries and consumers. We urge you to pursue a balanced approach to the RFS and other fuels issues.

Sincerely,

Chet Thompson	Mike Sommers
President & CEO	President & CEO
American Fuel & Petrochemical Manufacturers	American Petroleum Institute